

Information Technology Recommendations

Introduction - Information technology budget requests are extracted from the executive budget and presented separately in this section to comply with 17-7-123(1), MCA. Each major information technology related decision package in excess of \$200,000 for the biennium is presented in the following.

Information technology funding requests are presented in two bills in the executive budget. House Bill 2 typically includes fund requests for operations and maintenance and may represent an ongoing cost of state government.

In contrast, new investments in information technology assets are generally appropriated as long-range capital projects in House Bill 10. These projects are investments in state service infrastructure and appropriate to be funded in a long-range program.

The contents of each bill are summarized below.

State Information Technology Service Division Rates - HB 2 Section R

State Information Technology Services Division (SITSD) of the Department of Administration is a proprietary program that manages central computing and telecommunications services for state government. SITSD provides central mainframe and mid-tier computer services, and manages the statewide data network called SummitNet, used by all agencies located throughout the state. SITSD provides local and long distance telephone, video and network services used by all agencies, including the university system. SITSD coordinates electronic government services for the state, and manages the states Internet presence mt.gov. ITSD also manages the security, continuity, and IT project management enterprise offices.

Funding for SITSD comes primarily from charges to state agencies for server and application hosting and data/voice network services. A significant portion of SITSD's budget is Enterprise Services. Funding for Enterprise Services comes from agency charges based on a per-user allocation.

SITSD's rates are based on the Financial Transparency Model (FTM), an activity based budgeting model. Over the past year, ITSD has defined over 200 services, allocated costs and staff time to each service, and estimated units of service provided to each agency. Rates are based on a detailed allocation of expenditures and staff time to each service. SITSD also implemented a staff time tracking system to refine the accuracy of staff time allocation. For a wide variety of services agencies will have the choice of using the service or altering the units consumed. SITSD management will have to closely monitor rates and the underlying costs to ensure a service remains competitive. Each agency's budget includes their anticipated consumption of SITSD services valued at the proposed detailed rates.

Based on increase of services and agency predicted growth, SITSD's FY 2010 base expenditures of \$40,185,464 are requested to increase to \$41,534,335 in FY 2012 and \$41,799,421 in FY 2013.

House Bill 2 Information Technology Decision Packages

Table IT-1 shows the decision packages included in House Bill 2.

Table IT-1						
House Bill 2 Information Technology Projects						
Agency	Decision Package	General Fund	State Special Revenue	Federal Special Revenue	Other Funds	Total Funds
Justice	1201 -- IT MERLIN				4,500,000	4,500,000
Justice	DP 1202 -- IT Electronic Commerce				350,000	350,000
Justice	DP 1203 -- IT VIVS Online Motor Vehicle Liability Insurance		972,340			972,340
Justice	DP 1205 -- MVD Debt Payments Due to BOI		3,700,000			3,700,000
Justice	DP 1303 -- IT Smart Cop		884,000			884,000
Justice	DP 1804 -- IT Criminal Justice Info Network (CJIN) BIEN/OTO		1,150,000			1,150,000
CHE	DP 907 -- Information Technology Increases	1,159,396				1,159,396
DEQ	DP 4004 -- Upgrade ACCESS Database (OTO/Bien/REST)		594,712	486,584		1,081,296
MDT	DP 111 -- Restore Computer Services Contract Funding		410,403			410,403
MDT	DP 2201 -- United Carrier Registration (UCR) - ECVISN		1,644,239	1,080,145		2,724,384
DOR	DP 205 -- Ongoing Maintenance of Imaging and Scanning	300,000				300,000
OPD	DP 10 -- Computers/Servers/Printers	350,281				350,281
Ag	DP 3006 -- Web AG Product Registration System (Bien)		280,000			280,000
Corrections	DP 302 -- Security Control System OTO/Bien	325,000				325,000
Corrections	DP 502 -- RYCF OTO Security Cameras Bien	204,327				204,327
DLI	DP 504 -- BSD Consulting Increase		199,871			199,871
DLI	DP 505 -- BSD Database Maintenance		200,000			200,000
HHS	DP 1103 -- MTAP New Technologies		1,550,000			1,550,000
HHS	DP 90004 -- Systems M&E Contract Increases	197,622	335,352	1,868,476		2,401,450
HHS	DP 90007 -- TANF/SNAP System M&E	310,716		331,572		642,288
HHS	DP 11022 -- CPI – MMIS Components	268,374		793,405		1,061,779
HHS	DP12001 -- MMIS Contract Increase	234,825		692,756		927,581

Department of Justice

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$2,250,000	\$0
FY2013	\$2,250,000	\$0

DP 1201 -- IT MERLIN

The Motor Vehicle Division (MVD) is requesting \$4.5 million over the 2013 biennium in state special revenue authority to fund the completion of the Montana Enhanced Registration and Licensing Information System (MERLIN). The Archon Driver Solution (ADS) phase which automates the drivers' stations across the state is estimated to be complete in FY 2013. Upon completion, it is estimated that ongoing maintenance costs will be \$1,750,000 per biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$350,000	\$0
FY2013	\$0	\$0

DP 1202 -- IT Electronic Commerce

The Motor Vehicle Division (MVD) is requesting a 2013 biennial appropriation of \$350,000 for costs associated with the development, operation and enhancement of electronic commerce applications related to motor vehicle titling, registration and records and driver licensing and records. The legislature previously approved state special fund expenditures, however, implementation was delayed in FY 2010. Therefore, the operating costs for those services, in addition to the development of new electronic commerce applications, are not reflected in the base budget.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$486,170	\$0
FY2013	\$486,170	\$0

DP 1203 -- IT VIVS Online Motor Vehicle Liability Insurance

The Motor Vehicle Division (MVD) requests a base increase of \$972,340 in the 2013 biennium of state special revenue spending authority to annualize expenditures associated with the implementation of the online Motor Vehicle Liability Insurance Verification System (VIVS). 61-6-157(3)(i), MCA, requires that VIVS be installed and operational no later than July 1, 2011. Until system and business requirements are established and a vendor is selected, the actual cost for the maintenance of VIVS is unknown. Using the assumptions from the fiscal note for SB 508 during the 2009 session, the estimated annual state special revenue costs will be \$539,734 (1,079,467 vehicles * \$0.50/vehicle/year = \$539,734). The projected annual maintenance cost increase would be reduced by applying FY 2010 operating expenditures of \$53,564 resulting in a total annual increase of \$486,170.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$1,850,000	\$0
FY2013	\$1,850,000	\$0

DP 1205 -- MVD Debt Payments Due to BOI

This decision package requests \$3.7 million, state special revenue as a biennial appropriation for the 2013 biennium to fund debt payments associated with the new motor vehicle systems MVS1, MVS2, and enhancements for the MERLIN systems.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$567,000	\$0
FY2013	\$317,000	\$0

DP 1303 -- IT Smart Cop

The Montana Highway Patrol Division (MHP) requests state special revenue authority of \$567,000 in FY 2012 and \$317,000 in FY 2013 for a total request of \$884,000 over the 2013 biennium for information technology enhancements and equipment replacement for the Smart COP Computer Aided Dispatch/Records Management System. Smart COP provides an integrated information system for the MHP dispatch and patrol. Upon completion, it is estimated that ongoing maintenance costs will be \$34,000 per biennium.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$575,000	\$0
FY2013	\$575,000	\$0

DP 1804 -- IT Criminal Justice Info Network (CJIN) BIEN/OTO

The budget includes a request for a \$1,150,000, biennial, one-time only, state special revenue appropriation for the 2013 biennium to cover the costs of the Criminal Justice Information Network (CJIN) upgrade. The CJIN upgrade is completed every four years to keep technology up to date. The upgrade was not completed in FY 2010, therefore the appropriation is not included in the base year budget for the CJIN Section.

Commissioner of Higher Education

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$455,153	\$455,153
FY2013	\$704,243	\$704,243

DP 907 -- Information Technology Increases

This proposal increases funding \$455,153 in FY 2012 and \$704,243 in FY 2013 for information technology (IT) costs including contractual software licenses and maintenance agreements, hardware maintenance agreements, and internet service costs. The funding source for this request is general fund.

Department of Environmental Quality

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$540,648	\$0
FY2013	\$540,648	\$0

DP 4004 -- Upgrade ACCESS Database (OTO/Bien/REST)

This request is for \$540,648 per year in state special and federal special revenue for the Remediation Division to upgrade its tanks database through an ACCESS upgrade or conversion from ACCESS to SQL. This upgrade will allow more effective management of the approximately 3,750 permitted underground storage tank sites and 1,500 petroleum release sites. Upon completion it is estimated that ongoing operating costs will be \$150,000 per year.

Department of Transportation

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$194,442	\$0
FY2013	\$215,261	\$0

DP 111 -- Restore Computer Services Contract Funding

This request is for \$194,442 in FY 2012 and \$215,961 in FY 2013 of state special revenue to restore base funding levels and scheduled maintenance and system enhancements for permitting, registration, and licensing systems. These

systems include permitting for commercial motor vehicles and other entities, International Fuel Tax Agreement (IFTA) licenses, and International Registration Plan (IRP) vehicle registrations. This system provides the public a consistent and accurate manner of obtaining these required permits, licenses, and vehicle registrations as required by state and federal laws.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$1,884,096	\$0
FY2013	\$840,288	\$0

DP 2201 -- United Carrier Registration (UCR) - ECVISN

This request is for \$1,884,096 in FY 2012 and \$840,288 in FY 2013 of state Unified Carrier Registration (UCR) funds and federal Expanded Commercial Vehicle Information Systems and Network (ECVISN) grants to deploy and maintain commercial motor vehicle related systems. Two projects are planned in FY 2012 and one in FY 2013. An automated payment capability project for the IFTA (International Fuel Tax Agreement) and IRP (International Registration Plan) will provide automated payment capability for a one stop shopping cart interface. This will allow customers an easy system to do multiple transactions related to IFTA and IRP. The other FY 2012 project is a weigh station automated vehicle screening project at two existing weigh stations which will identify problem carriers, vehicles, and drivers to keep the traveling public safe. The FY 2013 project is virtual weigh station automated screening system deployment at existing weigh in motion sites. This will target overweight and unsafe vehicles protecting the infrastructure and keeping traveling public safe. Ongoing maintenance costs upon completion are projected to be \$210,581 per year.

Department of Revenue

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$150,000	\$150,000
FY2013	\$150,000	\$150,000

DP 205 -- Ongoing Maintenance of Imaging and Scanning

The Department of Revenue, Information Technology and Processing Division requests \$300,000 general fund in the 2013 biennium for ongoing vendor maintenance and support for the hardware and software used for imaging and scanning of several hundred thousand tax returns, payments, and other documents annually.

Office of the Public Defender

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$153,473	\$153,473
FY2013	\$196,808	\$196,808

DP 10 -- Computers/Servers/Printers

This request is to fund the replacement of aging printers, servers, and computers. Funding in the amount of \$153,473 in FY 2012 and \$196,808 in FY 2013 is being requested. The agency did not have the funding to follow a 4 or 5 year replacement cycle and instead has been replacing equipment as it fails or is severely outdated.

Department Of Agriculture

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$280,000	\$0
FY2013	\$0	\$0

DP 3006 -- Web AG Product Registration System (Bien)

The executive recommends \$280,000 biennial one-time-only state special revenue funding to continue upgrading an existing licensing and registration system to allow web based product and apiary registrations.

Department of Corrections

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$325,000	\$325,000
FY2013	\$0	\$0

DP 302 -- Security Control System OTO/Bien

The executive requests OTO/biennial funding of \$325,000 general fund in FY 2012 to procure a security system to replace the one that is currently failing at Montana Women's Prison.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$325,000	\$325,000
FY2013	\$0	\$0

DP 502 -- RYCF OTO Security Cameras Bien

Riverside Youth Correctional Facility has two surveillance cameras located in the front entrance and south sally port. Riverside needs to comply with recommendations from PREA and Riversides own safety/security best practices by installing security cameras throughout the facility. This system includes indoor/outdoor surveillance with recording/save capabilities.

Department of Labor and Industry

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$97,824	\$0
FY2013	\$102,047	\$0

DP 504 -- BSD Consulting Increase

The Business Standards Division is requesting \$97,824 in FY 2012 and \$102,047 in FY 2013 in state special revenue to cover the increase in consultant and professional services for the licensing boards. Total obligation for FY 2012 is \$621,140 and FY 2013 is \$625,363, of which \$523,316 is built into the base budget leaving an outstanding balance of \$97,824 in FY 2012 and \$102,047 in FY 2013.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$100,000	\$0
FY2013	\$100,000	\$0

DP 505 -- BSD Database Maintenance

This decision package requests \$100,000 for each year of the biennium state special revenue to cover the maintenance contract for the new Accela database system purchased in FY 2010. Total obligation for this contract is \$500,000 of which \$400,000 was built into base in FY 2010, leaving an outstanding obligation of \$100,000 for each year of the biennium.

Department of Public Health and Human Services

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$775,000	\$0
FY2013	\$775,000	\$0

DP 1103 -- MTAP New Technologies

Management and Disability Transitions requests \$1.55 million state special revenue authority for the 2013 biennium for the Montana Telecommunications Access Program (MTAP), in the event the federal government mandates that the states pay for new technologies. MTAP predicts the federal mandate will come with advance notice of at least 18 months.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$1,198,975	\$97,936
FY2013	\$1,202,475	\$99,686

DP 90004 -- Systems M&E Contract Increases

This request is for \$197,622 general fund, \$335,352 state special revenue funds, and \$1,868,476 federal funds authority to the Technology Services Division for anticipated contractual cost increases for the large data systems currently supported under the Information Technology Facilities Management, Child and Adult Protective Services, and the system for the Enforcement and Recovery of Child Support contracts. Changes to federal and state program reporting requirements, rules, regulations, and identified system efficiencies and repairs are traditionally managed through a maintenance and enhancement contract. The division currently holds three contracts for legacy systems maintenance and enhancements (M&E). All of these contracts will have reached their expiration dates by the end of FY 2011.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$0	\$0
FY2013	\$642,288	\$310,716

DP 90007 -- TANF/SNAP System M&E

This request is for \$310,716 general fund and \$331,572 federal funds authority to the Technology Services Division for FY 2013 for anticipated contractual costs for the maintenance and enhancement of the TANF and SNAP eligibility determination and benefits payment systems. Changes to federal and state program reporting requirements, rules, regulations, and identified system efficiencies and repairs are traditionally managed through a maintenance and enhancement contract.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$421,537	\$106,547
FY2013	\$640,242	\$161,827

DP 11022 -- CPI – MMIS Components

This request is for \$1,061,779 total funds for the biennium. The biennial funding is \$268,374 in general fund and \$793,405 in federal funds. This request reflects the pricing adjustment for 3 components (Smart PA, Impact Pro, and Enrollment Broker) of the Medicaid Management Information System within the Health Resources Division.

	<u>Total Agency Impact</u>	<u>General Fund Total</u>
FY2012	\$368,259	\$93,228
FY2013	\$559,322	\$141,597

DP12001 -- MMIS Contract Increase

This decision package requests \$927,581 over the biennium for Medicaid Management Information System (MMIS) components (different from those requested in HRD, DP 11022). The current MMIS Fiscal Agent contract contains a pricing adjustment per an increase in CPI. The annual pricing adjustment shall not exceed 75% of the rate of increase in the cost of living as reflected in the Federal Bureau of Labor Statistics, Consumer Price Index (CPI). The increase is implemented annually in July and over the prior 6 years has increased on average 2.5% annually. The funding for the biennium is \$234,825 in general fund and \$692,756 in federal funds.

House Bill 10 Long-Range Information Technology Investments

The executive budget does not include new appropriations for new long range information technology projects for the 2013 biennium.